

## Message Text

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UNCLAS COPENHAGEN 0502

USEEC ALSO FOR EMBASSY

USMTN

EO 11652: N/A  
TAGS: ETRD, DA  
SUBJ: DANISH CLAIM LEAD TO EC DUMPING INVESTIGATION OF SWEDISH  
CHIPBOARD SALES

SUMMARY: DANISH CHIPBOARD MANUFACTURERS IN DECEMBER COMPLAINED  
TO THE EC COMMISSION THAT SALES OF SWEDISH CHIPBOARD IN DEN-  
MARK TOOK PLACE AT PRICES BELOW PRODUCTION COSTS AND REP-  
RESENTED A THREAT TO THE DANISH INDUSTRY. THE DANISH CLAIM  
WAS FOLLOWED BY COMPLAINTS FROM OTHER EC COUNTRIES AND MAY  
RESULT IN ASSESSMENT OF EITHER ANTI-DUMPING OR COUNTERVAILING  
DUTIES UPON IMPORTS INTO THE EC. DANISH IMPORTS OF CHIP-  
BOARD FROM SWEDEN ROSE IN THE FIRST NINE MONTHS OF 1977 BY  
31 PERCENT COMPARED TO A DECLINE OF 13 PERCENT IN DANISH  
SALES. END SUMMARY.

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1. AFTER TWO MONTHS OF BILATERAL DISCUSSIONS BETWEEN  
DENMARK AND SWEDEN, DENMARK ON DECEMBER 22, 1977, RE-  
QUESTED THE EC COMMISSION TO INITIATE A COUNTERVAILING  
DUTY CASE AGAINST SWEDISH EXPORTS OF CHIPBOARD.

2. DENMARK CLAIMED THAT GOVERNMENT-OWNED SWEDISH  
CHIPBOARD PLANTS PRODUCED AND SOLD AT LOSS, HENCE

INDIRECTLY WERE GOVERNMENT SUBSIDIZED. THE FACT THAT THE GOVERNMENT COVERED THE LOSS PERMITTED SALES IN DENMARK AT PRICES AROUND 20 PERCENT BELOW PRODUCTION COSTS. AT THE SAME TIME WEST GERMANY, GREAT BRITAIN AND IRELAND HAVE REQUESTED ASSESSMENT OF ANTI-DUMPING DUTIES, AS PRICES IN THESE MARKETS REPORTEDLY WERE BELOW THE PRICES QUOTED IN THE SWEDISH MARKET.

3. THE EC COMMISSION HAS NOW ASKED THE EC ANTI-DUMPING COMMITTEE TO CONSIDER THE CASE, AND IT IS EXPECTED THAT THE COMMITTEE'S DETERMINATION WILL RESULT IN ANTI-DUMPING DUTIES OF AROUND 20-25 PERCENT.

4. DANISH CHIPBOARD PRODUCTION HAS BEEN HARD HIT BY SWEDISH COMPEITION AND THERE HAVE BEEN A NUMBER OF LAY-OFFS. THE DANISH SHARE OF THE TOTAL MARKET DROPPED FROM 67 PERCENT IN 1976 TO 61 PERCENT IN 1977 (FIRST NINE MONTHS EACH YEAR).

5. THE WEST GERMAN SHARE DROPPED FROM 12.7 TO 11.7 PERCENT, WHILE THE SWEDISH SHARE IN THE SAME PERIOD ROSE FROM 18.6 TO 25.5 PERCENT. ON THE IMPORT SIDE, SWEDEN IN THE FIRST NINE MONTHS GAINED 31 PERCENT IN QUANTITY, BUT WITH UNIT-VALUES DECLINING 19 PERCENT, WHILE WEST GERMANY LOST 12 PERCENT ON QUANTITY WITH UNIT VALUES UP BY 19 PERCENT. THE US HAS ONLY A MAR-  
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GINAL SHARE OF THIS MARKET, AND US SALES SO FAR (83 CUBIC METERS IN 1977) TOOK PLACE AT PRICES WELL BELOW THE AVERAGE IMPORT PRICE.  
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## Message Attributes

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